



EXCISE

Excise Tax Certification Process CFO IRS 2007 Inland Waterways Board

July 31, 2007



EXCISE

Timeline

- Form 720 Excise Tax Quarterly Returns are filed quarterly, and are processed in the Cincinnati campus.
- Deposits are made, usually before returns are due, and the final payment is made with the return, if necessary.
- Returns are due at the end of the month after the end of the liability quarter, i.e. March returns are due at the end of April.



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Timeline for Revenue Certifications

Liability Quarter ending	Return due Date	Certification
March 31	April 30	August 20
June 30	July 31	October 20
September 30	October 31	February 20
December 31	January 31	May 20



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- The “Report of Excise Tax Collection” is generated by IRS Information Technology every month, and is used to prepare the Revenue Certifications.
 - Report allocates dollars paid to abstracts on return.
 - Liability must be paid to be certified. Partial payments are pro-rated to the various abstracts.
- CFO analysts insert the data into linked Excel spreadsheets, (Collection Worksheets) and these spreadsheets produce the Certification memos.
- CFO has accelerated the release date of the certifications by one month.



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CFO Process- Revenue Certifications

- Collection Worksheets 1, 2 and 3 produce the certified amounts.
 - Worksheet 1 produces pre-certified amount.
 - Worksheet 2 rounds to the thousand.
 - Worksheet 3 determines the number of gallons for fuels and divides the rate between different accounts within the Trust Funds.



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- Revenue Systems analysts use tools to monitor the posting of returns, and to monitor the abstracts posted from the 720 return. We do this to assure the correct abstracts are posted to the masterfile.



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Rates for Inland Waterways

- Inland Waterways Rate per gallon of fuel is \$.201.
- \$.20 goes to Inland Waterways Trust Fund.
- \$.001 goes to Leaking Underground Storage Tank Trust Fund (LUST).

- The total rate per gallon used to be as high as \$.244 per gallon, but of that .043 went to the General Fund and LUST has been getting \$.001 per gallon for years.
- Inland Waterways Trust Fund rate has been \$.20 per gallon since at least 2000.



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CFO Certification Process Revenue Certifications Con't

- Input amounts are reviewed for accuracy.
- Program changes require constant updates to add new Abstracts and change rates.
- Programmers and other Analysts continually discuss all issues pertaining to Excise Abstracts.



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Other Treasury Agencies

- IRS sends the certification memos to Financial Management Services (FMS), and they prepare warrants.
 - Twice monthly, the Office of Tax Analysis at main treasury sends estimates based on the revenue received, and warrants are originally based on these estimates. When FMS gets the IRS certifications, they adjust the warrants to agree with the certifications.
- Bureau of Public Debt (BPD)
 - BPD invests the money for the Trust Fund based on the warrants.



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Excise Tax Trust Funds Certified

IR Code	Trust Fund
9501	Black Lung Disability Trust Fund
9502	Airport and Airway Trust Fund
9503	Highway Trust Fund Highway Account Mass Transit Account
9504	Sport Fish Restoration and Boating Safety Trust Fund
9506	Inland Waterways Trust Fund
9508	Leaking Underground Storage Tank Trust Fund
9509	Oil Spill Liability Trust Fund
9510	Vaccine Injury Compensation Trust Fund

Inland Waterways Trust Fund

Certification Amounts

Liability Quarters		Certified Dates	Certifications by FY
June 2003 September 2003		December 2003 March 2004	\$23,817,000 \$22,416,000
FY 2004			
December 2003 March 2004	\$24,323,000 \$18,197,000	June 2004 September 2004	\$24,323,000 \$18,197,000
June 2004 September 2004	\$26,165,000 \$21,778,000 \$90,463,000	December 2004 March 2005	\$26,165,000 \$21,778,000
FY 2005			
December 2004 March 2005	\$23,845,000 \$21,556,000	June 2005 September 2005	\$23,845,000 \$21,556,000
June 2005 September 2005	\$22,795,000 \$19,995,000 \$88,191,000	December 2005 March 2006	\$22,795,000 \$19,995,000
FY 2006			
December 2005 March 2006	\$22,380,000 \$21,227,000	June 2006 September 2006	\$22,380,000 \$21,227,000
June 2006 September 2006	\$22,569,000 \$22,328,000 \$88,504,000	December 2006 February 2007	\$86,397,000